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SUBJECT: Sudan Economic Round-Up, July 1-15, 2006

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2005 Investment Report: USD 5 M Projected for 2006

[¶1.](#) Statistics released by the Central Bank of Sudan (CBOS) show that between 1999 and 2004, Sudan accumulated a total USD 9 billion in foreign investment. In 2005, USD 3.2 billion in foreign investment was added to the total, and the Ministry of Investment expects another USD 5 billion in 2006. Although the Ministry of Finance does not provide country breakdowns, China continues to be the largest investor in Sudan (detailed in septel).

Malaysian Co. Set to Win GoSS Electric Power Contract

[¶2.](#) The media reported on July 1 that the Government of Southern Sudan is set to award Malaysia's Sithu M Company the \$9.5 billion hydroelectric contract. The company is expected to submit its final proposal within the next three months.

Sudan, South Africa Form Bilateral Joint Commission

[¶3.](#) Sudan's State Minister of International Cooperation recently headed a 19-person delegation to South Africa. This trip concluded with the signing of a Bilateral Joint Commission to establish cooperation on political, industrial, and economic matters.

Central Bank to Organize Money Laundering Workshop

[¶4.](#) With collaboration with the World Bank, the CBOS will organize a workshop with the aim of combating money laundering in Sudan. The workshop will deal with laws and schedules related to money laundering crimes, with an eye to assist in drafting legislation in line with current international efforts to address this issue.

Kenya, GOSS Sign Cooperation Deal

[¶5.](#) Kenya and the Government of Southern Sudan signed an agreement on technical, economic, and cultural cooperation on July 7 in Nairobi. It calls for the identification of priority projects and programs for implementation and mobilization of financial resources from external donors and other international organizations for specific projects and programs. Samson Kwaje, GOSS Minister of Information, Radio, and Television, said that the signing of the agreement is expected to increase training of GoSS personnel in the

health care, education, military, and police sectors.

Chinese Complete Khartoum Refinery Expansion

¶16. The China National Petroleum Corp (CNPC) has completed expansion of the Sudan's sole major refinery north of Khartoum from its present capacity of 50,000 barrels per day to 100,000. The total project is valued at \$341 million.

Central Bank, Arab Investment Co. Sign Agreements

¶17. On July 1, the Central Bank of Sudan (CBOS) and the Arab Investment Company signed an agreement establishing two funds with a capital of \$250 million to provide financial coverage for commercial banks to assist imports of raw materials, agricultural inputs, and capital goods commodities in addition to agricultural machinery.

Minister of Energy and Mining Meets with Schlumberger

¶18. Schlumberger Company (headquartered in Paris) representatives met with the Minister of Energy and Mining to discuss ways to expand cooperation between the firm and Sudan, with the company seeking to increase its role as a regional center for its services in neighboring Arab and African countries.

New Lebanese Bank Opens in Sudan

¶19. Lebanon's Al Auda Bank has signed a joint venture with Sudan's Ahli Bank to increase banking services in Sudan. An Al Auda representative stated that the Lebanese bank has already invested \$70 million in Sudan.

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UAE Investors, DEPA Close Hotel Construction Deal

¶10. On July 12, UAE investors and DEPA Interiors have closed a deal to build a \$30 million hotel in Khartoum. This will be second large, up-scale hotel complex project in the capital. Construction on the \$30 million Libyan-owned Libya Commercial Center complex is nearing completion. DEPA Interiors is best known for its partnership with owners of the Dubai Burjal Arab Tower.

Kenya's Dairo Air to Fly Larger Planes into Juba

¶11. Dairo Air is set to introduce bigger aircraft on it Entebbe - Juba route to satisfy increasing number of travelers and cargo to Southern Sudan.

VP Taha Meets With Business Community

¶12. On July 11, Vice President Ali Osman Mohamed Taha met with members of the Sudanese Businessmen's Union. Press reports stated that the meeting was focused on two problems hindering the Union's work -- finance and taxation. Taha stated that the finance problem was already solved through CBOS's agreement with the Arab Investment Company of Bahrain to provide \$250 million to finance private sector imports. They also discussed ways to increase Sudanese (non-petroleum) exports.

STEINFELD